

MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY

OPEN MEETING MINUTES

July 9, 2020

The regular meeting of the Maryland Small Business Development Financing Authority convened at 1:00 p.m. via teleconference only at 470-869-2200/meeting ID 428-245-6027 due to the COVID-19 pandemic.

The following were in attendance at this meeting:

Authority Members	MMG Staff
Les Hall	Randy Croxton
Clem Kaikis	Anthony Williams
Sharon Pinder	Mark Harrison
Laura Pasternak	Tim Smoot
Chuck Martin	Latoya Haynes
Gina Ramsey	
Kenny Oreagba	
Mara Sierocinski	

Attorney General's Office
Barbara Kountz, Deputy Counsel

AGENDA

MSBDFA COVID-19 Emergency Relief Loan Fund

NOTE: Ms. Aletha Seth, a member of the public, participated in the Open Session of the meeting as an observer.

The closed session of the June 25, 2020, meeting was summarized. The Authority Board meeting was attended by Les Hall, Gina Ramsey, Chuck Martin, Sharon Pinder, Mara Sierocinski, Laura Pasternak, and Kenny Oreagba. The meeting was closed to comply with requirements of the Maryland Public Information Act so that there would not be disclosure of confidential, commercial, and financial information associated with the applicants. The meeting was closed to discuss the following:

The following requests were approved.

1. Flight Fab, Inc. – Extend maturity to September 30, 2020 to allow refinancing. If financing not obtained, original conditions of 5% principal payments and full audit will remain in place if renewed, with the additional condition that the inventory financing will be refinanced with another lender by March 31, 2021.
2. Tri-State Solutions of Maryland, LLC - \$300,000 contract financing line of credit

MSBDFA COVID-19 Emergency Relief Loan Fund

Presenter: Randy Croxton

Comments: The Department has received an additional allocation of funding of which \$5 million has been allocated to MSBDFA to assist small businesses affected by the COVID-19 pandemic. MSBDFA is expected to have the full allocation funded by December 31, 2020. More than 80 loan requests are anticipated to be funded. The Authority was presented with Fund guidelines and loan terms for approval. The anticipated start date will be July 20, 2020.

Discussion: The following was discussed:

1. Availability of funds outside of the normal MSBDFA clientele.
2. Time stamping of incoming applications based upon first come first served basis
3. Gender and ethnicity identification requirement
4. \$5 million MSBDFA allocation, use of funds for applicants who previously applied for COVID-19 assistance through the Department
5. Use of proceeds
6. Type of financing provided
7. Term of the loan
8. Number of loan requests anticipated
9. Amount of time anticipated by the Board to review the requests
10. Possible internal approval of loan requests in lieu of a quorum of the Board members; proxy voting
11. Collateral criteria
12. Possible acceptance of applicants with a bankruptcy history


13. Possible dedicated time of meetings
14. Authority member attendance requirement
15. Quorum composition
16. Applicant default status on other COMMERCE programs affecting eligibility
17. Marketing strategy and collateral availability
18. Timing of the mailing of loan requests

Action Taken: Upon motion duly made and seconded, the Authority unanimously approved the guidelines for the \$5 million MSBDFA COVID 19 Emergency Relief Loan Fund as presented.

NOTE: Chuck Martin and Kenny Oreagba were not present during the vote of the request.

The Open Meeting closed at 2:00 p.m.

APPROVED:


Celester A. Hall
Chairman

DATE:

11-6-20